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PROGRAMME PLANNING AND IMPLEMENTATION

Country, intercountry and global programmes

EXTENSION OF THE FOURTH COUNTRY PROGRAMME FOR BARBADOS

Programme period	Resources	$
1993	Net IPF	228 000
	Estimated cost-sharing	-
	Total	228 000

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I. JUSTIFICATION

1. The fourth country programme for Barbados was approved by the Governing Council at its thirty-third session for 1987-1991 period and subsequently extended for one year, beginning January 1992. Barbados attained net contributor country status at the beginning of the fifth programming cycle. The Administrator informed the Governing Council, at the thirty-ninth session, that the extension was required to allow sufficient time for arrangements to be successfully concluded for financing the fifth country programme.

2. It is expected that the new country programme will be submitted to the Governing Council at its regular session in June 1994. The negotiations between the Government and UNDP are continuing within the context of tight economic conditions associated with the Government's complex structural adjustment programme. The Government considers the future financial burdens occasioned by net contributor country status to be extremely onerous. Barbados is now expected by the Governing Council to finance fully any future technical cooperation, as well as meet its obligations as host country for the field office which covers nine other territories and countries.

3. In this regard, while an indicative planning figure (IPF) of $579,000 does not, on its own, constitute a realistic enough basis for a high-quality technical cooperation programme efforts to secure supplementary resources from the Government and other donors are continuing in the expectation that this will establish an adequate financial base to develop a viable future country programme. The Government has therefore requested that the fourth country programme be extended for an additional year, beginning 1 January 1993, to permit programming discussions and resource mobilization efforts to be brought to fruition.

II. OBJECTIVES

4. During 25 years of independence, Barbados has achieved an exemplary and stable performance measured by all the leading economic, social and political indicators. An annual growth rate of over 3 per cent and a population growth rate of only 0.5 per cent have resulted in a per capita income of $6,370, the highest of the World Bank's active borrowers.

5. Since 1989, however, the island's external competitiveness has been under pressure, worsened by growing structural imbalances in the economy. An adjustment and reform agenda was put in place to reduce the fiscal and balance-of-payments deficits, increase domestic savings, improve export competitiveness and restore conditions conducive to economic growth and financial stability.

III. PROGRAMME DESCRIPTION

6. Within this context, the Government has identified specific development strategies and programmes requiring UNDP support during 1993. They are (a) institutional restructuring of key government ministries and agencies to

achieve higher productivity, enhanced quality and more effective delivery of services; and (b) protection and management of the natural environment, now acknowledged as the major determinant of the sustainability of tourism and related service industries, which are the mainstay of the economy.

7. It is envisaged that while discussions continue on the scope of the future programme, work will commence, with UNDP support, on a comprehensive review of the public sector. Assessments will be undertaken of its current mandates, systems and procedures, available resources, constraints to growth and challenges for the future. Consideration of the results of the study will enable the Government to take decisions on the future orientation of the public sector, the essential services which it must provide and the steps to be taken to strengthen internal coordination and management.

8. With respect to the national environmental management programme, support will be provided by UNDP for preparation of updated situation analyses, which will help to guide the Government in economic planning and investment decisions related to exploitation of the country's natural resources.

9. The extension of the country programme will facilitate this preliminary work and provide additional time for the design of an innovative fifth country programme, with the potential to attract additional financial resources.

IV. RECOMMENDATION

10. The Administrator recommends that the Governing Council approve the second extension of the fourth country programme for Barbados.

V. FINANCIAL SUMMARY

ESTIMATED RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

			$	$
A.	Ongoing country programme			
	Fourth cycle IPF		1 477 000	
	Carry-over from 3rd cycle		126 000	
	Fourth cycle net entitlement		1 603 000	
	Cost-sharing		41 000	
	Total			1 644 000
	Less Fourth cycle expenditures			
	IPF	1 135 000		
	Cost-sharing	41 000		1 176 000
	Fourth cycle IPF carry-over			468 000
B.	Anticipated resource needs for extension period			
	IPF		228 000	
	Programme cost-sharing		-	
	Project cost-sharing		-	
	Total			228 000
C.	Fifth cycle balance available after extension period			
	Fourth cycle carry-over		468 000	
	Fifth cycle IPF		579 000	
	Cost-sharing a/		NA	
	Total			1 047 000
	Less:			
	1992 estimated expenditures	440 000		
	1993 estimated expenditures	228 000		668 000
	Balance			379 000

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a/ To be determined during 1993.